

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	HB 78
Fiscal Note Number:	2
(H) Publish Date:	2/18/2021

Identifier: 0674-EED-PEF-1-26-21
Title: FUNDING FOR CORRESPONDENCE
PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Fund Capitalization
Appropriation: No Further Appropriation Required
Allocation: Public Education Fund
OMB Component Number: 2804

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	35,544.3		35,544.3	35,544.3	35,544.3	35,544.3	35,544.3
Miscellaneous							
Total Operating	35,544.3	0.0	35,544.3	35,544.3	35,544.3	35,544.3	35,544.3

Fund Source (Operating Only)

1004 Gen Fund (UGF)	35,544.3		35,544.3	35,544.3	35,544.3	35,544.3	35,544.3
Total	35,544.3	0.0	35,544.3	35,544.3	35,544.3	35,544.3	35,544.3

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Initial version; not applicable.

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Agency: Office of Management and Budget

Phone: (907)465-2875
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

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Analysis

This bill addresses funding for correspondence programs operated by school districts (both district and statewide programs) by amending AS 14.17.140(b)(1)(C), Public school funding, and AS 14.17.430, State funding for correspondence student.

This bill provides for the following changes to the Public School Funding Formula (Foundation Formula) as it pertains to correspondence students:

- (1) Moves the correspondence student average daily membership (ADM) from the end of the Foundation Formula, when determining basic need, so correspondence students are eligible for the special education and career and technical education multipliers; and
- (2) Changes the weight of a correspondence student ADM from 90 percent to the actual ADM, as submitted.

This change is projected to cost the State of Alaska approximately \$35.5 million, starting in FY2022, and is based on the FY2022 projected correspondence ADM count of 18,798.30.

Page 3 of this fiscal note provides the funding breakdown of the projected increase by school district. This change impacts only 32 of the 54 school districts, as not all school districts operate a district and/or statewide correspondence program.

The effective date of this bill is July 1, 2021 (FY2022).

Department of Education & Early Development

Prepared by School Finance

Prepared 12/18/2020

Correspondence funded after the District Cost Factor (DCF)

School District	FY2022		
	PROJECTED Total State Entitlement	PROJECTED Corresp. After DCF Total State Entitlement	Correspondence Cost calculated after DCF & receiving formula adjustments
Alaska Gateway	\$ 8,692,677	\$ 8,806,127	\$ 113,450
Aleutian Region	1,329,054	1,329,054	-
Aleutians East Borough	4,816,255	4,816,255	-
Anchorage	323,254,270	326,173,695	2,919,425
Annette Island	4,419,401	4,419,401	-
Bering Strait	31,975,944	31,975,944	-
Bristol Bay Borough	991,611	1,010,520	18,909
Chatham	3,450,276	3,457,828	7,552
Chugach	4,540,195	5,527,171	986,976
Copper River	6,486,804	6,758,537	271,733
Cordova	4,165,858	4,184,765	18,907
Craig	5,578,304	6,523,718	945,414
Delta/Greely	10,000,488	10,378,654	378,166
Denali Borough	7,634,915	9,336,660	1,701,745
Dillingham	5,788,213	5,792,020	3,807
Fairbanks N. Star Borough	102,275,879	104,055,160	1,779,281
Galena	30,364,338	39,676,666	9,312,328
Haines Borough	2,449,370	2,504,192	54,822
Hoonah	2,545,989	2,545,989	-
Hydaburg	2,003,078	2,154,344	151,266
Iditarod Area	5,891,682	6,156,398	264,716
Juneau Borough	35,179,106	35,462,730	283,624
Kake	2,294,656	2,294,656	-
Kashunamiut	3,965,153	3,965,153	-
Kenai Peninsula Borough	71,390,909	73,828,175	2,437,266
Ketchikan Gateway Borough	25,472,143	25,613,954	141,811
Klawock	1,811,846	1,811,846	-
Kodiak Island Borough	25,659,314	25,867,305	207,991
Kuspuk	6,498,139	6,498,139	-
Lake & Peninsula Borough	9,114,071	9,132,979	18,908
Lower Kuskokwim	64,302,438	64,302,438	-
Lower Yukon	33,551,331	33,551,331	-
Mat-Su Borough	171,097,454	175,915,260	4,817,806
Nenana	10,822,796	13,659,038	2,836,242
Nome	8,800,166	8,913,615	113,449
North Slope Borough	19,262,514	19,262,514	-
Northwest Arctic Borough	38,169,427	38,205,342	35,915
Pelican	458,345	458,345	-
Petersburg	5,741,245	5,741,245	-
Pribilof	827,863	837,318	9,455
Saint Mary's	3,570,037	3,570,037	-
Sitka Borough	11,422,745	11,568,778	146,033
Skagway	1,348,700	1,348,700	-
Southeast Island	4,717,735	4,727,189	9,454
Southwest Region	11,304,447	11,304,447	-
Tanana	929,663	929,663	-
Unalaska	3,773,899	3,773,899	-
Valdez	4,963,161	5,173,649	210,488
Wrangell	3,522,041	3,539,105	17,064
Yakutat	1,297,273	1,333,246	35,973
Yukon Flats	5,023,098	5,023,098	-
Yukon/Koyukuk	22,700,620	27,994,939	5,294,319
Yupit	7,172,043	7,172,043	-
Mt. Edgecumbe High School	3,419,941	3,419,941	-
TOTAL	\$ 1,188,238,920	\$ 1,223,783,215	\$ 35,544,295